

VZCZCXYZ0000
RR RUEHWEB

DE RUEHNO #0569/01 2950510
ZNY CCCCC ZZH
R 220510Z OCT 07
FM USMISSION USNATO
TO RUEHC/SECSTATE WASHDC 1298
RUEKJCS/SECDEF WASHDC
INFO RUEHXP/ALL NATO POST COLLECTIVE
RUEHNO/USDELMC BRUSSELS BE
RUEKJCS/JOINT STAFF WASHDC//J-4/J-5/J-6//
RHMFISS/CDR USJFCOM NORFOLK VA//J4//
RHMFISS/CDR USEUCOM VAIHINGEN GE//EC-J4//
RHMFISS/DISA WASHINGTON DC//NC3LO//
RHMFISS/HQ USCENTCOM MACDILL AFB FL//J4-E//

C O N F I D E N T I A L USNATO 000569

SIPDIS

SIPDIS

STATE FOR EUR-RPM (MONAHAN);
DEFENSE FOR OASD/ISA (EURO-NATO); USDAT&L/DUSD-IE (VAUGHT);
OASD/NII (HANSEN);
EUCOM FOR J4-EN ENGINEER DIV (MC) (CAPT MACKERELL);
CENTCOM-J4-E (COL FLANAGAN);
JOINT STAFF-J-4 (MR. MACKIE) J-5 (LTC SEAMON)

E.O. 12958: DECL: 01/01/2011

TAGS: [AORC](#) [MARR](#) [NATO](#)

SUBJECT: REPORT OF SENIOR RESOURCE BOARD PLENARY MEETING
OCTOBER 11 & 12

REF: A. USNATO 00584 DTG 080632Z OCT 07

[1](#)B. SECSTATE 142605 DTG 102207Z OCT 07

[1](#)C. NOR(MBC)(2007)0001

[1](#)D. SRB-N(2007)0056

[1](#)E. SRB-N(2007)0062-REV2

[1](#)F. OC/SRB(2007)0051

Classified By: DEFAD BRUCE WEINROD. REASON 1.4.(B/D)

[1](#)1. (U) SUMMARY: The Senior Resource Board (SRB), meeting on October 12 and 13, endorsed the Capability Package (CP) addendum for Missile Defense Feasibility Study to address the impact of the third U.S. site; agreed to forward to Council the report on analysis of expenditures for the NATO Security Investment Program (NSIP); and agreed on plans of action for a variety of resource issues. The following topics were considered: CP for Electronic Warfare; CP addendum for the Interim Combined Air Operations Center (CAOC) Structure; common funding and outsourcing of the sustainment helicopter lift in Afghanistan (see para 2.A); the Intelligence, Surveillance, and Reconnaissance (ISR) requirements in Afghanistan; the Afghanistan, Iraq, and Kosovo operations' resources; the Council Policy Guidance for the 2009 to 2013 Planning Period; the SRB 2007 Annual Report to Council; Missile Defense affordability assessment; funding arrangements for NATO assistance to humanitarian operations; NATO Command Structure Peacetime Establishment (PE) Review; the CP Process Review; and the NATO Military Authorities initiatives to improve prioritization and identification of requirements. The Board received status reports on the resource aspects of the current operations in Afghanistan, Iraq, and the Balkans. The Board also received briefings on the ongoing NATO resource reform activities and the Allied Command Transformation (ACT) new Integrated Resource Management (IRM) structure. END SUMMARY.

[1](#)2. (C) Details of the SRB deliberations follows:

RESOURCE PLANNING AND POLICY ISSUES

ITEM I. CRISIS RESPONSE OPERATIONS (CROs) AND MISSIONS
RESOURCE UPDATES.

1A. International Security Assistance Force (ISAF): Allied Command Operations (ACO) briefed the Board on the status of their ongoing campaign to counter insurgents and on the Intelligence, Surveillance, and Reconnaissance (ISR) in-theater capability. The collection platforms and full motion video exploitation requirements were filled through force generation. However, the dissemination, archiving, and collection management requirements are largely unfilled, and SHAPE intends to request approval to outsource this capability by purchasing the equipment using NSIP funds and funding the operation and maintenance (O and M) cost, estimated at approximately 15 Million EURO (MEURO), from the Military Budget. Thus, the total ISR O and M cost is expected to reduce from a previous estimate of 28 MEURO to approximately 15 MEURO plus the costs of reimbursement to nations (Italy, UK, Germany, and France) for providing aerial collection platforms. MISSION NOTE: The U.S. offer of one Predator sortie per day under national operational control (OPCON) will not be eligible for common funding reimbursement, as it does not fulfill the Theater Capability Statement of Requirement (TCSOR) of being OPCON to COMISAF. END MISSION NOTE. SHAPE recently added 45 hours per month of Aerial Ground Movement Indicator Capability (GMTI) to the CJSOR; the U.S. is currently providing this capability in RC-South. At this time, there appears to be an excess of 33.5 MEURO available within the approved 2008 ISAF budget, of which 28 MEURO has been specifically set aside to be spent exclusively on ISR. Thus, the approved 2008 budget allocation appears to be adequate to fully cover the cost of the ISR, and presumably at least 5.5 MEURO are available to be spent toward intra-theater sustainment airlift. Once specific cost figures are available, the MBC will report to the SRB the size of the required 2008 O and M budget supplemental.

On October 12, France broke the silence on an SRB document approving eligibility for common funding and outsourcing. France requested more specific information on existing in-theater contracts and a more detailed cost estimate. SHAPE will request data from nations (including the US) on current in-theater contracts. The U.S. rep expressed disappointment that France was unable to agree; reaffirmed our intention to withdraw the Aviation Bridging Force at the end of January; and advised nations that the SECDEF would likely raise the issue at the forthcoming Defense Ministerial. The UK and Netherlands also expressed disappointment and urged France to reconsider her position. The French rep agreed to consult with Paris as to whether France would be willing to approve common funding eligibility and outsourcing (to which France raised no objection) in the SRB and to subsequently address costing and contract issues in the Military Budget Committee (MBC) prior to consideration of granting contracting authority. If France responds positively, then the SRB will reconsider agreeing the eligibility and outsourcing under a short silence period. Otherwise, the issue will be discussed at an October 22 SRB preparatory meeting. The SHAPE Request for Proposal (RFP) release date of October 22 can be met if France agree eligibility and outsourcing under SRB silence period. Otherwise, the RFP release date is in jeopardy.

The Infrastructure Committee (IC) Chairman reported that authorizations for ISAF to date are now approaching 500 MEURO, and expenditures for 2007 are anticipated to be at least 140 MEURO. The MBC Chairman reported that the 2007 ISAF budget will not require a supplement. The implementing committees (IC and MBC) Chairmen reported on the review of possible actions to facilitate procurement and employment in support of the Afghan economy; the committees concluded that a substantial amount of expenditures in-theater do have a positive impact on the local economy, and that a balance has been achieved between NATO's need to receive high quality capabilities and services both expeditiously and at a competitive price and the ability of local Afghan suppliers to meet these needs (Ref C).

1B. BALKANS: ACO provided an operational update for the Balkans, noting that espionage, followed by criminal rivalries are the highest threat at this time. ACO also provided a political overview, noting that the Troika is leading for further talks between Belgrade and Pristina.

1C. NATO TRAINING MISSION IRAQ (NTM-I): ACO reported that on June 11, the NAC approved the NATO provision of Gendarmerie-type training, with Italy as the lead nation using their Carabinieri forces as a model. In July, Ar Rustimayah was declared fully operational capable (FOC) and handed over to the Iraqis; in August, the Joint Staff College (JSC) and National Defense College (NDC) held graduation and were also declared FOC; in September, the Senior NCO leadership and management training for Iraqi Navy NCOs was held aboard a UK maritime vessel; and in October, NATO mentoring was completed at the Iraqi Ground Forces Command.

The IS reported that 27 nations (including Switzerland) had pledged trust fund contributions that fully covered the 2007 requirements and all of the known 2008 requirements. The total estimated costs for NTM-I trust fund training from 2005 through the end of 2007 (including gendarmerie training) is 7.9 MEURO. 14.1 MEURO has been pledged to date, thus there is a surplus of 6.2 MEURO that can be used for 2008 requirements, currently estimated at 2.5 MEURO.

1D. NATO LOGISTICAL SUPPORT TO THE AFRICAN UNION (AU) MISSION IN SUDAN (AMIS). SHAPE had no significant operational activities to report since the June plenary meeting.

1E. ARTICLE 5 OPERATION ACTIVE ENDEAVOR. SHAPE had no significant operational activities to report since the June plenary meeting.

ITEM II. REPORTING ISSUES WITH CURRENT AND FUTURE RESOURCE IMPLICATIONS.

1A. Funding Implications of NATO participation in Humanitarian Operations. The Board, noting the recently issued I.S. proposed draft report to Council, agreed to consider it at the October 22 preparatory session (Ref D).

1B. NATO Command Structure (NCS) PE Review. The IMS reported that the Council agreed the recommendations in the MC report on Phase I of the PE review, which maintains the current geographical distribution of the command structure. Phase II is scheduled to be complete by June 2008 and will include a resource analysis of the various options. The Board agreed that further consideration of the static Headquarters CPs would not be possible until the PE review was complete.

1C. Missile Defense Affordability Assessment. The Board agreed to await the completion of the study of the U.S. third site prior to reporting to the NAC on this issue.

1D. CP Process Review. Morse (US), Co-Chair updated the Board on the ongoing activities of the CP Process Working Group.

1E. Update by IMS on development of the CP Master Plan and the Minimum Military Requirement (MMR). The IMS is developing a capability master plan which will highlight the relationships of the projects for the top 25 CPs thus enabling better prioritization of military requirements. In addition, a Tiger Team, made up of reps from the IMS, the NATO Office of Resources (NOR), and the SCs, is revising the procedures for developing the MMR so that future MMRs will provide a wider range of potential options to include relevant resource implications and associated risks. The U.S. rep stressed the need to shorten the time from when war fighter or potential war fighter generates the requirement and the time when the requirement is satisfied. This may very well result in the need to have less procedures and less

approvals, not more. The Board noted the update and requested future periodic updates.

ITEM III. COUNCIL POLICY GUIDANCE FOR THE 2009 TO 2013 PLANNING PERIOD. Some nations recommended minor editorial changes to the document and the document will be reissued under a short silence period (Ref E) which Mission will forward to Washington agencies upon receipt.

ITEM IV. ACT BRIEFING. ACT briefed on their new IRM Organization in which the resource staff is integrated with the defense planners; the Financial Controller will be the Chief of Budget and Contracts and will report to the Deputy Chief of Staff for IRM (MG Recep, TU). Several nations insisted that the Financial Controller and his staff be independent of the resource spenders and that the Financial Controller should retain a direct reporting chain to the Commander as his resource advisor. The UK, FR, and CA supported the integration with the understanding that the financial controller's role as the Commander's resource advisor be maintained. The Board noted that the IRM structure will be finalized during the ongoing PE review.

ITEM V. NATO HEADQUARTERS RESOURCE REFORM. Versnel (NL), Deputy Director of the NATO Office of Resources (NOR), advised the Board that the final operating capability of the NOR was reached on September 1, 2007, and the collocation of the staffs has substantially enhanced communications. Portugal, supported by Poland suggested that the NOR should also support the Civil Budget Committee to ensure that all resources are fully integrated. The U.S. rep reminded the staff that we established the NOR to enhance responsiveness, reduce staff, and realize cost avoidance within the budgets. The Board tasked the staff to provide a report on these issues after one year of operation.

The Chairman reported that the Board had agreed, under silence, an interim solution to handle MBC submissions to the Council and a way ahead for reviewing the current processes (Ref F). The Chairman also advised the Board that the I.S. will develop a draft paper based upon the informal SRB discussions of election procedures for national chairmen for consideration at an early preparatory session. The SRB will subsequently jointly meet with the Advisory Group of Financial Counsellors to consider agreement on the new election procedures.

ITEM VI. IMPLEMENTATION MANAGEMENT OF THE NSIP, AN ANALYSIS OF THE EXPENDITURE SITUATION. The Board agreed to send the report on analysis of expenditures for the NSIP to the Council.

ITEM VII. DRAFT 2007 ANNUAL REPORT TO THE COUNCIL. Nations provided comments to the draft report, and a revised report will be issued for further discussion at the October 22 preparatory session, with a goal of finalizing the report by November 1.

ALLOCATION OF RESOURCES CAPABILITY PACKAGE AND STAND-ALONE PROJECTS.

ITEM VIII.A. I.S./IMS CAPABILITY PACKAGE OVERVIEW.

The IMS briefed the status of new CPs. Silence was broken in the MC on the Deployable Ground Based Sensors for Air Command and Control CP, and the screening report will be revised and reissued to reflect the changed location of the planned garrison site in Spain, from Moron to Torrejon. Four CPs and four CP Addenda are under joint staff screening: the Bulk Fuel in the Northern and Southern regions CPs, the SHAPE Command Facilities CP, the Air Transport CP, an addendum to the Maritime Shore-Based Communications equipment CP, Addenda for Offensive and Defense Air in the Central Region CPs, and an addendum for Limited Interim NATO Response Force communications CP. The IMS noted that nations in the MC had deferred consideration of the three ACO headquarters CPs, pending the outcome of the PE review. MISSION NOTE: Upon

conclusion of the staff screening, the SHAPE Headquarters Facilities CP will likely also be deferred by nations pending the outcome of the PE Review. END MISSION NOTE. Three CPs are expected to be submitted by the SCs by December 2007: Wireless Communication Transmission Services, NATO Training and Cooperation Initiative, and an addendum to the Vital Security Projects for NATO Command Facilities.

ITEM VIII.B. BI-SC CAPABILITY PACKAGE 9A0700 ELECTRONIC WARFARE. The IMS reported that the MC endorsed the CP on October 12. The U.S. rep questioned whether interoperability can be obtained while maintaining full and open competition, should the air training equipment be procured separately from the maritime and land equipment. The Board agreed to request further evaluation of the issue during the project authorization stage. Germany and Portugal were unable to endorse the CP; Germany questioning the use of the NSIP for the purchase of replacement electronic training equipment; and Portugal needing more time. Germany and the I.S. will hold further consultations on the source of funding and the Board will subsequently consider endorsement under a silence period of one week.

ITEM VIII.C. SHAPE CAPABILITY PACKAGE 5A0109 ADDENDUM 1 INTERIM CAOC STRUCTURE (ICS). The US. Rep confirmed our willingness to continue to provide O and M funding and manpower at the current levels per the existing MOUs but that any request for additional funding or increased personnel support would require separate agreement through U.S. military command channels. Turkey and Spain could not support endorsement of the CP until resolution of the PE. Denmark, UK and Norway, noting the urgency of installing the ICS equipment in the northern region and that the outstanding PE issues are exclusively in the southern region, advocated to consider the Northern Region Requirements separate from the Southern Region Requirements, thus creating two separate

addenda. Turkey, Greece, and Italy opposed splitting the CP addendum by regions. The Chairman urged nations to delink the PE review and this CP addendum, and the Board will discuss the CP at the October 22 Preparatory session.

ITEM VIII.D. SHAPE CAPABILITY PACKAGE 5A0061 ADDENDUM 1 FEASIBILITY STUDY ON BALLISTIC MISSILE DEFENSE. The Board endorsed the CP addendum.

ITEM IX. ANY OTHER BUSINESS.

Air Defense Ground O and M Reimbursement. Greece and Norway broke silence on the proposed decision sheet regarding O and M reimbursement to nations for air defense (ground) radars. These nations suggested that the O and M reimbursements should continue at the agreed 2003 level. The Chairman will advise the MBC Chair that the outstanding 2004 to 2007 reimbursements are an implementation issue and should be addressed by the MBC. Further, that a review should be undertaken initially by the MBC regarding the future O and M reimbursements, and a recommendation should be forwarded to the Board for further consideration.

SRB Visit to ACT. ACT extended an invitation to the Board to visit their headquarters in Norfolk on November 19 and 20. The secretariat will circulate details.

SRB Away Day. The SRB will hold an away day in Aachen, Germany on October 18 and 19.

NULAND